For Brokerage Business Requirement [Trading and Self Clearing]

TREC requirements – initial and ongoing

Under the clause 3A of Securities Brokers (Licensing and Operations) Regulations, 2016 (Attached), a person desirous of performing the functions of Securities broker shall, before obtaining TRE Certificate of a securities exchange, make an application to the Commission as set out in Form A-1 along- with the documents specified in Annexure A-1.

(2) The Commission, while considering the application for permission under sub regulation (1), may require the applicant to furnish such further information or clarification, as it deems appropriate.

(3) The Commission, if it is satisfied that the person seeking permission to perform the functions of securities broker has fulfilled the criteria in terms of these regulation may permit by an order in writing to incorporate a securities broker company.

(4) The permission granted under sub-regulation (2) shall be valid for a period of six months unless extended for a maximum period of further three months under special circumstances, on the application of the sponsors made before the expiry of initial six months.

(5) During the validity of this permission, the sponsors shall obtain the TRE Certificate from securities exchange, get the securities broker company incorporated and submit an application to the Commission for grant of licence, after fulfilling all the conditions specified in these regulations." (Application Form Attached)

License requirements – Initial and ongoing:

Please visit: https://www.psx.com.pk/psx/resources-and-tools/brokerage-firms/application-for-securities-brokerage-license-from-secp

Fit and Proper criteria– Initial and ongoing [Executives / directors/CEO]

(Attached)

Conflict of Interest managements [Shared services provided by the AMC / dual roles]

Please consult your legal counsel and check your regulatory Bye-laws.

Regulatory Framework

For SECP Regulations (SBLOR, 2016): Please visit:
https://www.psx.com.pk/psx/themes/psx/uploads/Securities-Brokers-Licensing-and-Operations-Regulations-2016-updated-as-of-October-14-2022.pdf

For PSX Regulation (PSX Rule Book): Please visit:
https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Rulebook-December-18-2024.pdf

Risk Management requirements

Attached

Daily and ongoing compliance requirements:

Please visit: https://www.psx.com.pk/psx/themes/psx/uploads/compliance-calendar-25-03-2024.pdf

Reporting requirements to PSX and SECP, etc.:

Please visit: https://www.psx.com.pk/psx/themes/psx/uploads/compliance-calendar-25-03-2024.pdf

Renewals period [licenses, etc.]

Process:

- TREC holders are required to apply for renewal of securities brokerage license by November 30 of every calendar year. The application must be submitted along with necessary documents to PSX Admin Block, Pakistan Stock Exchange Limited, Stock Exchange Road, Karachi, at least 1 month before expiry of the license. Application format (Form C) and list of documents to be submitted are available through:

  https://www.psx.com.pk/psx/resources-and-tools/brokerage-firms/renewal-of-securities-brokerage-license-from-secp